

<b>LFC Requester:</b>	<b>Simon, Joseph</b>
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**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**AgencyAnalysis.nmlegis.gov**

*{Analysis must be uploaded as a PDF}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

*Check all that apply:*

**Original**        **Amendment**      
**Correction**        **Substitute**   

**Date** 1.24.24

**Bill No:** SB 165

<b>Sponsor:</b>	<u>Senator Roberto “Bobby” J. Gonzales; Senator Craig Brandt</u>	<b>Agency Name and Code</b>	<u>366-PERA</u>
<b>Short Title:</b>	<u>LEGISLATIVE RETIREMENT CHANGES</u>	<b>Number:</b>	<u></u>
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

SB 165 amends Section 10-11-43.3 NMSA 1978 to increase the annual amount of the legislative pension under form of payment A by increasing the pension multiplier from 60 to 90. Currently, legislator member coverage Plan 2 members receive an annual pension benefit of 14% of the per diem rate in effect on the first day of the calendar year the member retires multiplied by 60 and further multiplied by years of credited legislative service.

**FISCAL IMPLICATIONS**

The bill proposes an appropriation from the general fund of \$25,000.00 in fiscal year 2025 and subsequent years to cover the cost associated with the increase in the higher multiplier. For the year ending June 30, 2023, the Legislative Retirement Fund has a funded ratio of 116.00%. However, the proposed legislation eliminates almost all of this surplus, decreasing the surplus to \$404,000 and the funded ratio to 100.9%. The actuaries have indicated that the proposed legislation increases the contribution needed by \$1.5 million, annually. Contributions are not currently being made to the legislative division.

**SIGNIFICANT ISSUES**

The impact of the higher benefit structure is discussed above.

**PERFORMANCE IMPLICATIONS**

SB 165 will not impact PERA's performance measures.

**ADMINISTRATIVE IMPLICATIONS**

SB 165 would require changes to our Retirement Information System to administer the new multipliers.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None

**TECHNICAL ISSUES**

None

**OTHER SUBSTANTIVE ISSUES**

None

**ALTERNATIVES**

None

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Legislative pensions will continue to be calculated under the existing statutes.

**AMENDMENTS**

None